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# HIGHLY ENCOURAGING POTASH BRINE ANALYSES RECEIVED FROM SAMPLING ON RECENTLY ACQUIRED TENEMENTS IN NORTH WEST, WESTERN AUSTRALIA

**ASX ANNOUNCEMENT**
**10 DECEMBER 2013**

Reward Minerals Ltd is pleased to advise that samples of near surface brines from Lakes in the Telfer-Lake Disappointment area of Western Australia have returned encouraging Potassium (K) values.

- Majority of samples collected contain in excess of 5 grams of Potassium per litre (5kg/$m^3$) of brine. Five grams of K per litre equates to 11.15g/litre of Potassium Sulfate (SOP).
- Results can be compared with Reward's Lake Disappointment resource which averages approximately 5.5g/litre K (12.18kg SOP/$m^3$).

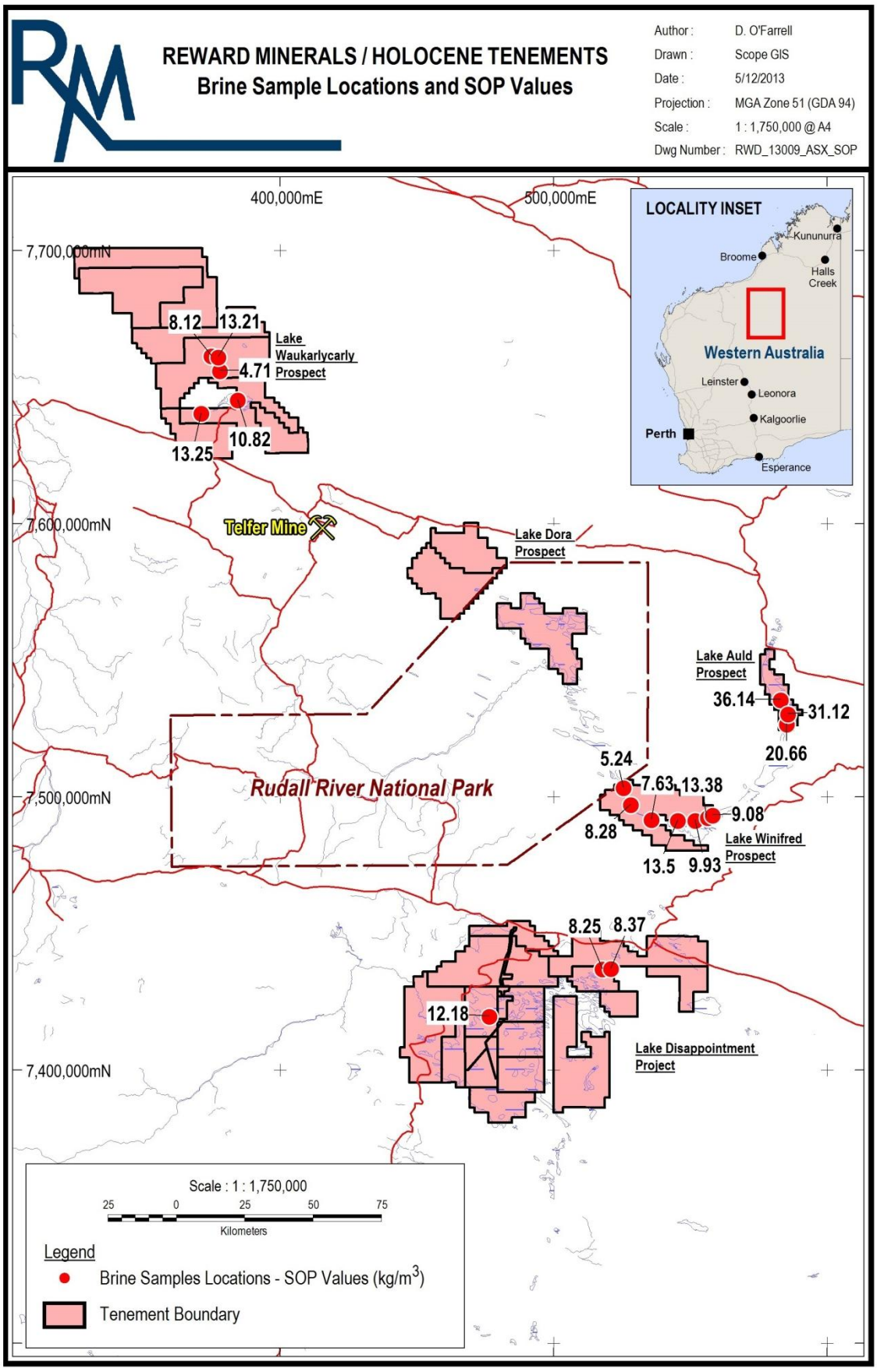
Sulfate and Magnesium values in the brine are somewhat variable but of sufficiently high tenor for the production of Potash from the brines in the SOP form ($K_2SO_4$). Coordinates and analytical results are shown in shown in Table 1 below and in Figure 1.

**Table 1**

| BRINE ANALYSIS - LAKE SURVEY - NOVEMBER 2013 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Sample** | **Northing** | **Easting** | **Ca [1]** | **K [1]** | **SOP [2]** | **Mg [1]** | **Na [1]** | **Cl [1]** | **$SO_4$ [1]** | **SG [3]** | **TDS [4]** |
| **LAKE WAUKARLYCARLY** | | | | | | | | | | | |
| LW1 | 7645460 | 384538 | 0.55 | 4.85 | 10.82 | 6.38 | 61.85 | 105.19 | 30.23 | 1.146 | 209 |
| LW4 | 7656072 | 377948 | 0.49 | 2.11 | 4.71 | 4.19 | 89.65 | 145.39 | 30.75 | 1.175 | 272 |
| LW5 | 7661592 | 374879 | 0.65 | 3.64 | 8.12 | 4.83 | 61.20 | 87.10 | 33.17 | 1.130 | 190 |
| LW6 | 7661217 | 377432 | 0.41 | 5.92 | 13.21 | 7.32 | 88.60 | 131.32 | 44.55 | 1.192 | 277 |
| LW17 | 7640635 | 371185 | 0.30 | 5.94 | 13.25 | 8.12 | 69.75 | 127.97 | 49.01 | 1.206 | 261 |
| **LAKE AULD** | | | | | | | | | | | |
| LAA | 7526757 | 585255 | 0.34 | 9.26 | 20.66 | 10.20 | 87.20 | 144.05 | 38.43 | 1.179 | 291 |
| LAB | 7535669 | 582959 | 0.29 | 16.20 | 36.14 | 11.25 | 102.75 | 140.70 | 38.43 | 1.215 | 312 |
| LAI | 7530472 | 585649 | 0.28 | 13.95 | 31.12 | 10.19 | 92.50 | 165.49 | 39.51 | 1.225 | 322 |
| **LAKE WINIFRED** | | | | | | | | | | | |
| LWFA | 7491535 | 545376 | 0.34 | 6.05 | 13.50 | 3.89 | 103.80 | 157.45 | 24.02 | 1.184 | 296 |
| LWFB | 7491508 | 551736 | 0.29 | 4.45 | 9.93 | 2.00 | 82.15 | 130.65 | 14.41 | 1.133 | 235 |
| LWFI | 7491840 | 535752 | 0.48 | 3.42 | 7.63 | 2.22 | 81.05 | 145.39 | 18.45 | 1.182 | 251 |
| **LAKE DISAPPOINTMENT EAST** | | | | | | | | | | | |
| LDEA | 7437223 | 517781 | 0.46 | 3.70 | 8.25 | 1.81 | 107.65 | 170.85 | 14.41 | 1.172 | 300 |
| LDEB | 7437340 | 520874 | 0.44 | 3.75 | 8.37 | 1.62 | 112.60 | 174.20 | 14.40 | 1.174 | 308 |
| **LAKE GEORGE** | | | | | | | | | | | |
| LGB | 7493430 | 556300 | 0.34 | 6.00 | 13.38 | 3.98 | 108.65 | 160.80 | 24.02 | 1.185 | 305 |
| LGI | 7493430 | 558041 | 0.47 | 4.07 | 9.08 | 2.98 | 92.15 | 149.41 | 22.49 | 1.186 | 271 |
| **LAKE DISAPPOINTMENT [5]** | | | | | | | | | | | |
| LD | 7419900 | 476500 | 0.46 | 5.46 | 12.18 | 5.92 | 93.58 | 151.20 | 25.95 | 1.190 | 237 |

**NOTES**
**(1)** Metal values are grams per litre of solution = kilograms per $m^3$ brine
**(2)** Potassium Sulfate (SOP) value is K x 2.23
**(3)** SG - Brine Specific Gravity gm/cc
**(4)** TDS - Brine Total Dissolved Solids - grams per litre of solution - sum of columns 5,7,8,9,10
**(5)** Average Values in Brine from Lake Disappointment drilling - Non Weighted Average

**Figure 1**

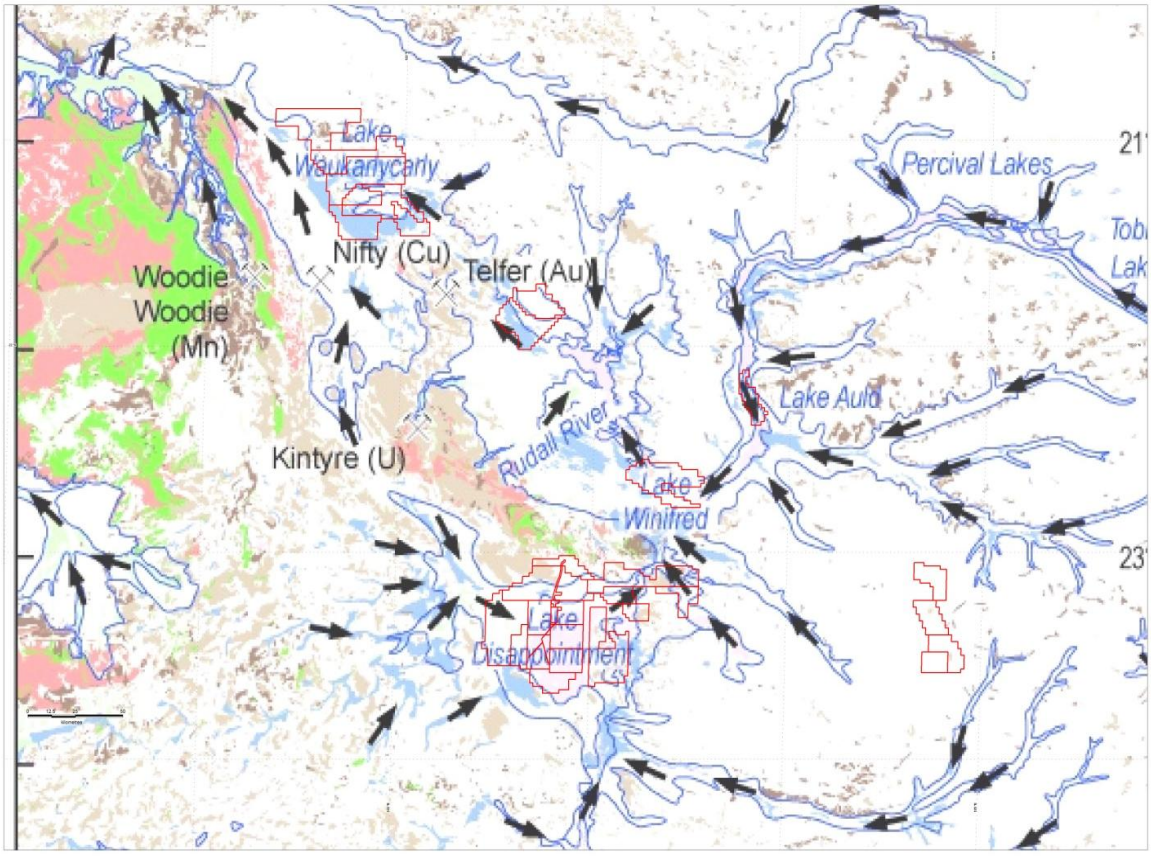

REWARD MINERALS / HOLOCENE TENEMENTS
Brine Sample Locations and SOP Values
Author : D. O'Farrell
Drawn : Scope GIS
Date : 5/12/2013
Projection : MGA Zone 51 (GDA 94)
Scale : 1 : 1,750,000 @ A4
Dwg Number : RWD_13009_ASX_SOP
400,000mE
500,000mE
7,700,000mN
7,600,000mN
7,500,000mN
7,400,000mN
LOCALITY INSET
Kununurra
Broome
Halls Creek
Western Australia
Leinster
Leonora
Kalgoorlie
Perth
Esperance
8.12
13.21
Lake Waukarlycarly Prospect
4.71
10.82
13.25
Telfer Mine
Lake Dora Prospect
Lake Auld Prospect
36.14
31.12
20.66
Rudall River National Park
5.24
7.63
13.38
9.08
8.28
Lake Winifred Prospect
13.5
9.93
8.25
8.37
12.18
Lake Disappointment Project
Scale : 1 : 1,750,000
25 0 25 50 75
Kilometers
Legend
Brine Samples Locations - SOP Values (kg/m3)
Tenement Boundary

The Potassium levels obtained are regarded by the Company as extremely encouraging and significant in relation to the recent expansion in Reward's Tenement holdings in the Lake Disappointment – Lake Waukarlycarly paleo drainage system in North West, Western Australia.

As referred to in the RWD September Quarter Activities Report, the rationale for the recent tenement applications is based on the data reported by Geoscience Australia in its 2010/12 Record - Aerial Electromagnetic Survey of the Paterson Province, WA. Geoscience interpretation of the data highlights an extensive Paleoriver system running through Lake Disappointment and extending several hundred kilometres through Lake Winifred and Lake Dora to the Waukarlycarly embayment to the north west of Telfer (see Figure 2).

Airborne electromagnetic (EM) traverses run by Geoscience suggest that high conductivity brines exist within the paleovalleys. On the assumption that any brines present have similar chemistry to those in Lake Disappointment, the paleovalleys and buried lake systems have considerable potential to host important Potash resources. Tenements now held (or applied for) by Reward in the region are shown in Figure 1 and cover approximately 9,021km$^2$. Recent applications are designed to provide coverage over the highly conductive (EM) paleochannel and lake systems existing to the north and northwest of Lake Disappointment and include substantial coverage of the Waukarlycarly embayment.

**Figure 2**



Historic drilling by BHP and others in the vicinity of Lake Waukarlycarly and the region between Lake Dora and Lake Waukarlycarly demonstrated gypsiferous lake sediments to considerable depths (100m+) in certain drill hole locations returning copious flows of highly saline water during drilling. The water table in the region was generally encountered a few metres below surface (<5 metres). The analytical results obtained by Reward and reported here suggest that the highly saline water encountered in the historic drilling may contain significant Potassium levels. Notwithstanding the recent samples were taken at shallow depth (0-1.5m), the high salinity level of the brines encountered accords with the high conductivity readings in the 2010 Geoscience EM Survey over Lake Waukarlycarly and the area north west of Lake Dora (Figures 1 and 2).

Drilling and sampling of the paleochannels and drainage basins is required to clearly establish the brine chemistry, Potash resources and brine recovery parameters.

Conceptually the targets are large, extending over 200km hence there is potential for Potash resources of significant magnitude.

Reward is currently consulting with the Martu Traditional Owners via WDLAC regarding access to the respective Tenement areas and terms of agreements applicable to future exploration and/or mining activities by the Company.

***Michael Ruane***
***Director***

**Competent Persons Statement**

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr David O'Farrell, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr O'Farrell is a consultant to Reward Minerals Ltd. Mr O'Farrell has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr O'Farrell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

**Section 1 Sampling Techniques and Data**

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Sampling techniques*** | *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* | The Program undertaken involved reconnaissance sampling on salinas (dry lakebeds) identified from Google image of Tenement areas held in North Western Australia. Samples collected were brines available from seepage into shallow auger holes put down manually into the lake surface. Maximum depth penetration was ca 1.5 metres from natural surface.<br><br>The aim of the program was to establish that the locations sampled hosted high salinity brines at shallow depth and that the brines contained significant value component - in particular Potash.<br><br>The program was reconnaissance only with an indicative outcome. The hand augering technique used was relatively unsophisticated and only brine samples were recovered and analysed as a precursor to Air core or Sonic Core drilling. |
| | *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* | Several brine samples were collected from each prospect area aimed at providing a representative brine analyses for each prospect. The program was limited by difficulty in penetrating the ground and low water table in several areas. |
| | *Aspects of the determination of mineralisation that are Material to the Public Report.* | While of a preliminary nature, the results indicate that the brines occurring in lakes over a considerable distance (200+km) contain significant levels of Potassium enhancing the prospectivity of the region for hosting Potash mineralisation in addition to those defined by Reward Minerals Ltd at Lake Disappointment. |
| | *In cases where 'industry standard' work has been done this would be relatively simple* | Follow up exploration will involve Air Core drilling at the prospective sites. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *(eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.* | |
| ***Drilling techniques*** | *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).* | Hand Auger 80mm diameter – 1.5m maximum penetration. |
| ***Drill sample recovery*** | *Method of recording and assessing core and chip sample recoveries and results assessed.* | Brine collection only. Dry holes back filled/abandoned. |
| | *Measures taken to maximise sample recovery and ensure representative nature of the samples.* | Samples collected were of a reconnaissance nature only. |
| | *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.* | Not possible to assess with very limited data available. |
| ***Logging*** | *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* | The nature of solid materials recovered were noted by the driller but not formally logged by a qualified geologist. Following receipt of encouraging potassium values in the brines encountered in the reconnaissance work, subsequent drilling will involve geological logging of the holes drilled. |
| | *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* | See above. |
| | *The total length and percentage of the relevant intersections logged.* | See above. |
| ***Sub-sampling techniques and sample preparation*** | *If core, whether cut or sawn and whether quarter, half or all core taken.* | No cores taken. |
| | *If non-core, whether riffled, tube sampled, rotary split, etc and* | As above. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *whether sampled wet or dry.* | |
| | *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* | Brine samples only. Indicative analysis only of geochemistry. |
| | *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* | As above. |
| | *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* | As above. |
| | *Whether sample sizes are appropriate to the grain size of the material being sampled.* | 1kg brine samples collected regarded as representative a particular site. |
| ***Quality of assay data and laboratory tests*** | *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* | The brine samples obtained were submitted to a reputable independent Laboratory (ALS) and analysed by ICP/MS techniques for Ca, Mg, Na and S. Chloride analyses were conducted in-house and will be verified in due course. Sulfate values in the Table were calculated from the laboratory figure for sulfur by multiplication x 4 (S → $SO_4$). Levels observed for individual elements were well above method detection limits hence are regarded as being of reasonable accuracy. |
| | *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* | No field analyses undertaken. Samples sent to ALS after Company labeling for security purposes. |
| | *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.* | Reconnaissance work only. No standards or blanks included for this stage. |
| ***Verification of sampling and assaying*** | *The verification of significant intersections by either independent or alternative company personnel.* | See above. |
| | *The use of twinned holes.* | Individual holes only. |
| | *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* | Data storage as PDF/Excel files on Company PCs in Perth. |
| | *Discuss any adjustment to assay data.* | Some analytical results corrected for |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | dilution factors. |
| ***Location of data points*** | *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* | Collars of the respective auger holes were located by GPS (± 5M). Reduced levels (RLs) were noted but are not regarded as of sufficient accuracy to formally record at this time. |
| | *Specification of the grid system used.* | UTM grid – GDA 94 Z51 |
| | *Quality and adequacy of topographic control.* | See above regarding RLs. |
| ***Data spacing and distribution*** | *Data spacing for reporting of Exploration Results.* | Auger sampling holes were relatively random but aimed to achieve at least three holes per salina producing brine. Hole locations were selected on appearance of lake surface. Numerous locations where brine was not available in the 0-1.5 metre zone were not formally recorded in this round of reconnaissance sampling. Holes producing brine adequate for sampling/analysis are listed in Table 1 and shown in Figure 1. |
| | *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* | Sample spacing not appropriate for any resource assessment. Follow up drilling required for any Resource evaluations. |
| | *Whether sample compositing has been applied.* | No compositing of samples undertaken. |
| ***Orientation of data in relation to geological structure*** | *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* | Shallow auger holes only – no structural information possible. |
| | *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* | No orientation information obtained. |
| ***Sample security*** | *The measures taken to ensure sample security.* | Samples were submitted to the independent laboratory (ALS) labeled with Company identification only. |
| ***Audits or reviews*** | *The results of any audits or reviews of sampling techniques and data.* | In view of the reconnaissance nature of the sampling program no audit of the sampling technique or analytical techniques is warranted at this stage. |

**Section 2 Reporting of Exploration Results**

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Mineral tenement and land tenure status*** | *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* | Tenements sampled were all Exploration Licences 100% (ELs or ELAs) registered 100% in the name of Holocene Pty Ltd (Reward Minerals Ltd). Included are ELs45/2804, 45/4121, 45/4272, 45/4273 and 45/4274. Sampling was conducted in areas outside the Rudall River National Park and in conjunction with Martu monitors within the Martu Determination Area. |
| | *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.* | ELs45/2804, 45/4121 are granted. The other ELs sampled are in the application stage. There are no known impediments to the grant of the Applications. |
| ***Exploration done by other parties*** | *Acknowledgment and appraisal of exploration by other parties.* | Earlier exploration by CRA BHP Gindalbie Gold Ltd. |
| ***Geology*** | *Deposit type, geological setting and style of mineralisation.* | The areas sampled are salinas/salt lakes believed to be surface expressions of buried Paleovalleys containing saline water. |
| ***Drill hole Information*** | *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*<br>*easting and northing of the drill hole collar*<br>*elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>*dip and azimuth of the hole*<br>*down hole length and interception depth*<br>*hole length.*<br>*If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.* | Location of the sampling points are provided in Table 1 and shown in Figure 1. All holes were less than 1.5m in depth and were vertical. |
| ***Data aggregation methods*** | *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* | Low number of samples collected from widespread sites. No attempt to relate to resources hence no cut of grades or aggregation of results. |
| | *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated* | No aggregation of results. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *and some typical examples of such aggregations should be shown in detail.* | |
| | *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | Only direct assay/analytical results reported. |
| ***Relationship between mineralisation widths and intercept lengths*** | *These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* | Shallow (<1.5m) holes only collecting brine if available – no structural data generated. |
| | *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').* | Holes generally 1-1.5m maximum. Vertical – Brine only collected. |
| ***Diagrams*** | *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | See Figure 1 and Table 1. |
| ***Balanced reporting*** | *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.* | Reconnaissance work only. Brine analyses obtained are regarded as significantly high in a geochemical sense to warrant follow up exploration. |
| ***Other substantive exploration data*** | *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* | Reconnaissance only, more detailed work planned.<br><br>Data obtained is of a preliminary nature – geochemically anomalous samples obtained warranting follow up. |
| ***Further work*** | *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* | Follow up Air Core and Core drilling will be undertaken when relevant Permitting approvals are received. |
| | *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | See Figure 2. |